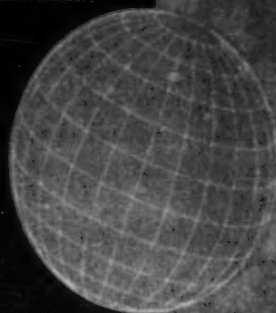


Canada Border Services Agency



Part III – Departmental Performance Report

**2008–09
Estimates**

The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety



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MESSAGE FROM THE MINISTER



The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety

As Minister of Public Safety, I am pleased to present to Parliament the Canada Border Services Agency's (CBSA) 2008–09 Departmental Performance Report.

The CBSA marked its fifth anniversary as Canada's integrated border management agency in 2008. It continues to effectively deliver border programs while advancing operational, technological and legislative initiatives to help secure the border and facilitate legitimate trade and travel. The Agency also strengthened its enforcement posture by improving its intelligence gathering and analysis capacity, in part by broadening the overseas risk assessment of travellers and cargo bound for Canada.

The CBSA retained its leading-edge position in technological innovation, which encompasses electronic advance information systems in the commercial import stream, biometrics to identify trusted travellers in our NEXUS program and detection technologies for examining cargo containers and conveyances. These technologies include radiation detection systems that were recently implemented at the five major marine container ports.

In Parliament, Bill S-2, which has now received royal assent, brought about amendments to the *Customs Act* to enhance the CBSA's ability to interdict contraband and other illegal items in customs controlled areas, such as on airport tarmacs and seaport docks. Bill S-2 will also enable the CBSA to implement eManifest, the third phase of our Advance Commercial Information initiative. In addition, the Agency continued progress towards the Government of Canada's commitment to arm officers and eliminate work-alone sites, and to provide greater protection to border services officers and those engaged in specialized enforcement activities within Canada.

The CBSA is still growing and evolving, and it is making the changes required to remain nimble and focused in a dynamic global environment. I am proud of the professional, service-oriented manner with which some 14,000 individuals balance border security and accessibility. I remain confident that they will use this same approach to meet future challenges.

The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety

SECTION I: DEPARTMENTAL OVERVIEW

RAISON D'ÊTRE AND RESPONSIBILITIES

The Canada Border Services Agency (CBSA) provides integrated border services that support national security priorities and facilitate the free flow of people and goods, including food, plants and animals, across the border. Specific responsibilities include the following:

- **administering** legislation (over 90 acts) that governs the admissibility of people, goods and plants and animals into and out of Canada;
- **detaining** those people who may pose a threat to Canada;
- **identifying** and **removing** people who are inadmissible to Canada, including those involved in terrorism, organized crime, war crimes or crimes against humanity;
- **interdicting** illegal goods entering or leaving the country;
- **protecting** food safety, plant and animal health, and Canada's resource base;
- **promoting** Canadian business and economic benefits by administering trade legislation and trade agreements to meet Canada's international obligations, including the enforcement of trade remedies that help protect Canadian industry from the injurious effects of dumped and subsidized imported goods;
- **administering** a fair and impartial redress mechanism; and
- **collecting** applicable duties and taxes on imported goods.

Created in 2003, the CBSA is an integral part of the Public Safety portfolio that is responsible for integrated national security, emergency management, law enforcement, corrections, crime prevention and border management operations.

Examples of Acts Administered by the CBSA

- *Agriculture and Agri-food Administrative Monetary Penalties Act*
- *Canada Border Services Agency Act*
- *Citizenship Act*
- *Criminal Code*
- *Customs Act*
- *Excise Act*
- *Excise Tax Act*
- *Export and Import Permits Act*
- *Food and Drugs Act*
- *Health of Animals Act*
- *Immigration and Refugee Protection Act*
- *Plant Protection Act*
- *Special Import Measures Act*

CBSA Service Locations

The CBSA provides services at approximately 1,200 service points across Canada and at some international locations, including the following:

- 119 land border crossings
- 27 rail sites
- 14 international airports
- 436 small vessel marina reporting sites
- 12 ferry terminals
- 87 customs warehouses
- 3 postal processing plants
- 3 detention facilities
- 45 international locations staffed with migration integrity officers
- 3 major port facilities

STRATEGIC OUTCOME AND PROGRAM ACTIVITY ARCHITECTURE



CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOME

Operational Priorities	Type and Status	Link to Strategic Outcome: Border management that contributes to the safety and security of Canada and facilitates the flow of persons and goods.
Effective delivery of programs and services The CBSA will continue to increase its ability to identify and interdict people and goods of high or unknown risk while expediting the flow of low-risk people and goods.	Type Ongoing Status Mostly met	The CBSA improved its capacity to identify and intercept people and goods of high or unknown risk before and at the border, which contributes to the safety and security of Canada. Enhancing the Agency's capacity to identify, assess and mitigate the risks posed by people and goods is a continuing priority for 2009–10, notably by optimizing the CBSA's intelligence function and plans to enhance targeting.
Innovating for the border of the future The CBSA will continue to develop and implement leading-edge border management processes and technologies that improve Canada's border security and economic prosperity.	Type Ongoing Status Mostly met	The CBSA advanced several projects that will leverage technology to expedite border clearance, thereby facilitating the flow of low-risk people and goods. In addition, improvements to the Agency's automated risk assessment systems (e.g. TITAN) have increased the Agency's ability to assess, identify and mitigate potential threats and risks before these risks reach the physical border. Improving the efficiency of border operations through the increased use of information technology will continue to be a priority in 2009–10, notably by developing systems for the electronic collection of trade data (e.g. eManifest) and implementing the Automated Border Clearance pilot project.
Strong internal and external relationships The CBSA will continue to improve its capacity to work effectively with all partners, stakeholders, clients and employees.	Type Ongoing Status Mostly met	The Agency enhanced the effectiveness of its relationships with key international partners in border management by successfully proposing the realignment of key bilateral and group mechanisms (e.g. with the United States, the United Kingdom, Australia and New Zealand) to a more strategic and proactive level. In 2009–10, the Agency will improve information sharing with these partners, particularly the United States to improve border security. In addition, the Agency will complete major reviews of its organizational culture and branding, which are key elements to improve relationships with stakeholders and employees.

Management Priorities	Type and Status	Link to Strategic Outcome: Border management that contributes to the safety and security of Canada and facilitates the flow of persons and goods.
A modern management regime The CBSA will continue to practice results-based management, deliver value for money and monitor progress through regular assessments.	Type Ongoing Status Mostly met	The Agency strengthened its risk management and human resources planning functions, which will provide additional and more accurate information to support resource allocation decisions that will best achieve the Agency's strategic outcome. Improving performance measurement and implementing integrated risk management will be continuing priorities in 2009–10.

TOTAL FINANCIAL AND HUMAN RESOURCES

Table 1.1: Total Financial Resources for 2008–09

\$ thousands		
Financial Resources 2008–09		
Planned Spending	Total Authorities	Actual Spending
1,508,942	1,856,814	1,647,636

Table 1.2: Total Human Resources for 2008–09

Full-time equivalents		
Human Resources 2008–09		
Planned	Actual	Difference
13,726	14,635	(909)

There was a \$209 million difference between total authorities and actual spending. The \$147 million lapse in operating expenditures was related mainly to project delays associated with eManifest, the arming of CBSA officers, the Container Security Initiative and the procurement of specialty equipment, such as radiation detection equipment. The \$62 million lapse in capital expenditures was related mainly to delays in infrastructure projects at the CBSA Learning Centre in Rigaud, Quebec, and at smaller ports of entry requiring facility upgrades to end work-alone situations, and to delays in the procurement of specialty equipment.

Strategic Outcome: Border management that contributes to the safety and security of Canada and facilitates the flow of persons and goods

Performance Indicator	2008-09 Performance	Performance Trend
Number of people processed		The total number of people processed in 2008-09 declined by 5.67 percent as compared to 2007-08 (96,491,015 people processed).
Air	23,429,399	
Highway	64,381,388	The most significant decline was observed in the rail mode in which the number of people processed declined by 9.48 percent as compared to 2007-08 (282,368 people processed), followed by the highway mode in which the number of people processed declined by 7.97 percent as compared to 2007-08 (69,958,953 people processed). The number of people processed in the air mode was relatively stable with a marginal increase of 0.31 percent observed as compared to 2007-08 (23,357,348 people processed), while a slight increase was observed in the marine mode (2.07 percent) as compared to 2007-08 (2,892,349 people processed).
Marine	2,952,421	
Rail	255,612	
Total	91,018,820	
Number of shipments* processed		The total number of shipments processed in 2008-09 declined by 3.82 percent as compared to 2007-08 (13,069,564 shipments processed).
Air	3,015,197	
Highway	8,728,789	The most significant decline was observed in the rail mode in which the number of shipments processed declined by 7.65 percent as compared to 2007-08 (393,679 shipments processed), followed by the highway mode in which the number of shipments processed declined by 4.25 percent as compared to 2007-08 (9,116,681 shipments processed). Declines in the number of shipments processed were also observed in the marine and air modes. In the marine mode, the number of shipments processed declined by 2.89 percent as compared to 2007-08 (477,047 shipments processed), while in the air mode, the number of shipments processed declined by 2.17 percent as compared to 2007-08 (3,082,157 shipments processed).
Marine	463,242	
Rail	363,566	
Total	12,570,794	
Number of enforcement actions** - people	86,557	The number of enforcement actions taken against people decreased by 7.37 percent as compared to 2007-08 (93,456 actions taken).
Number of enforcement actions** - commercial goods	30,117	The number of enforcement actions taken in relation to commercial goods increased by 6.44 percent as compared to 2007-08 (28,295 actions taken).

* shipment: A singular computation of imported or exported goods identified by an invoice or accounting document, received from either the vendor or consignee and maintained in the records of a carrier as per the *Customs Act*.

** enforcement action: The act of compelling adherence to the law via the levying of sanctions (criminal and administrative), seizure of property and detaining of culpable persons.

SUMMARY OF PERFORMANCE

The CBSA operates within the context of constantly changing economic and political environments. In response to a heightened security environment, the Agency has been enhancing its automated risk assessment systems and intelligence and targeting activities to address the most prominent border threats facing Canada, including terrorism, organized crime, firearms smuggling, illicit drugs, contraband goods, and irregular migration, as well as to ensure health and product safety. Border management continues to evolve at an increasing pace, with more advance information being required from people and on goods seeking entry into Canada and more efforts and resources being focused on mitigating potential risks as far away as possible from the physical border.

In 2008–09, the CBSA processed over 91 million travellers and 12 million shipments. This is a decrease in volume compared to the previous year, and is largely attributable to economic conditions: a combination of high oil prices during summer 2008 followed by a subsequent decline in the value of the Canadian dollar and the economic downturn beginning in late summer 2008. Volumes are expected to remain static over the course of the next year with the exception of a short-term increase in demand for border services in 2010 for the Olympic and Paralympic Winter Games. In preparation for the Games, the CBSA continued operational planning to secure the border and facilitate the entry of the many athletes and visitors expected to attend.

Under the Security program activity, the CBSA undertook a number of initiatives to strengthen how it manages risk and enforcement activities in Canada.

In 2008–09, the Agency improved its intelligence-gathering and analysis capacity by implementing a new organizational model for its Intelligence Directorate and establishing new performance measures. This realignment helped to strengthen the linkages between headquarters, regional and international intelligence personnel and provided clear points of contact for the CBSA's domestic and international counterparts. This in turn has helped to facilitate the exchange of pertinent intelligence information to better target high-risk people and goods seeking entry into Canada. The Agency also improved its ability to gather and analyze information on people seeking to enter Canada before they depart from their home country. In addition, the CBSA expanded its international presence by increasing the number of its migration integrity officers from 44 to 55. Migration integrity officers, stationed in 45 locations overseas, gather and analyze intelligence on visa and immigration application fraud, organized crime, irregular migration, public security and terrorism, war crimes and crimes against humanity.

To improve its targeting activities, the CBSA developed proposals for a new governance framework and centralized organizational structure. This will help the Agency to better manage targeting activities and improve national consistency. In addition, the CBSA developed and piloted a new training program for border services officers who are

involved in targeting and the risk assessment of advance information on people and goods entering Canada. These measures to improve targeting activities respond to concerns raised in the *2007 October Report of the Auditor General of Canada, Chapter 5, "Keeping the Border Open and Secure."*¹⁰

To strengthen its enforcement activities, the CBSA reinforced its commitment to focus on high-priority removals, especially individuals who pose a threat to the security of Canada, such as those involved in terrorist activities, organized crime and crimes against humanity. This included a review of the CBSA's warrants practices and policies to better track the Agency's removal inventory and focus CBSA resources on locating high-priority individuals wanted for removal. This activity responds to the concerns raised in the *2008 May Report of the Auditor General of Canada, Chapter 7, "Detention and Removal of Individuals."*¹¹

Under the Access program activity, the CBSA undertook initiatives to improve the free flow of legitimate people and goods across the border.

In 2008–09, the Agency conducted a *Core Services Review*¹² of the air mode in consultation with key airport stakeholders. The Review led to an air services policy framework that established a consistent, open and equitable approach to requests for new or enhanced publicly funded border services. New services identified in the framework were initiated at six airports starting on April 1, 2009, based on funding from Budget 2009.

In support of the Agency's post-release verification activities for commercial goods, the CBSA implemented a compliance strategic framework that sets out the criteria to assess risk and to select verification priorities for trade programs. This risk-based approach allows the Agency to ensure compliance with trade legislation and regulations and helps to provide a level playing field for Canadian businesses by ensuring the accuracy of trade data and the proper assessment, collection, relief and deferral of duties and taxes.

The CBSA was designated as the lead Government of Canada agency to work on the smooth implementation of the *Western Hemisphere Travel Initiative*¹³, a U.S. law that requires all travellers, including Canadian and American citizens, to present a valid passport or other secure document when entering the United States from within the western hemisphere. The CBSA actively worked with the United States and other federal departments and agencies and provincial governments to expand the number of approved secure documents to ensure that a critical mass of compliant documents was in circulation by June 1, 2009, when the Initiative was implemented for land and sea travel. This work resulted in the implementation of the Initiative with minimal border disruption.

Under the Science- and Technology-based Innovation program activity, the Agency implemented innovative systems and tools to improve border security. This included the development and implementation of technologies and systems to assess risk in the commercial environment. The CBSA continued its multi-year development of

eManifest[®], a major Crown project, to improve how the Agency processes and screens commercial goods imported into Canada through the use of advance information and automated risk assessments. Further progress was made on the Harmonized Risk Scoring — Advance Trade Data initiative to improve the effectiveness of the CBSA's current automated risk assessment and targeting processes in the marine mode to be consistent with similar programs used by the United States and other key international partners.

The CBSA employs innovative solutions to assess risks posed by people travelling to Canada. In 2008–09, the CBSA continued to phase in the Integrated Primary Inspection Line system at land border ports of entry. The system enables CBSA officers to quickly and efficiently run automated risk assessments of people against enforcement databases. The CBSA also consulted with the airline industry on the Advance Passenger Information/Passenger Name Record[®] program. Under this program, commercial air carriers transmit air passenger data to the Agency so that CBSA officers can perform a pre-arrival risk assessment of all passengers.

The CBSA operates a world-class laboratory that offers a diverse range of scientific, analytical and research advisory services, particularly in the fields of biometrics and contraband detection. In 2008–09, the CBSA designed enhancements to the portal radiation detection systems that form part of the Agency's radiation detection program.

Under the Internal Services program activity, the CBSA continued to build on its modern management regime.

In 2008–09, an executive dashboard with key performance indicators was piloted in support of the Agency's efforts to strengthen its performance management regime. In addition, the CBSA implemented a human resources strategic plan that addresses the challenges of ensuring that the Agency's workforce is adaptable, responsive and representative of the Canadian population. In 2008–09, the Agency recruited over 1,000 border services officers and trained 923 border services officers and 444 veteran employees in the CBSA's three program areas (customs; immigration; and food, plant and animal inspection).

RISK ANALYSIS

Because the CBSA is an intelligence-driven, risk-based organization, integrated risk management is an integral component of how it selects its priorities and allocates its resources to effectively manage its responsibilities. In 2008–09, the CBSA established an Integrated Risk Management Framework that, when fully implemented, will help the Agency to anticipate and plan for potential operational and corporate threats, which will result in a more responsive organization. The Framework is expected to be fully implemented in 2011.

In addition to the Framework, the CBSA uses a number of tools to help identify the Agency's key threats and risks. In 2008–09, the Agency's annual Border Threat and Risk Assessment fully integrated, for the first time, the threats and risks related to the Agency's immigration and food, plant and animal inspections responsibilities. In the assessment, the CBSA evaluated and rated 28 risks related to people and goods according to the mode of transport. The Agency also prepared a port risk assessment that provided a national ranking of the CBSA's ports of entry according to their relative risk and outlined the key threats and risks that are present at the highest-risk ports of entry. With these tools in hand, the Agency is able to better set inspection priorities and allocate resources according to the level of threat and type of risk.

In 2008–09, the Agency began work to better align its compliance management plan to the Agency's identified threats and risks. Now named the Risk-based Operational Plan, the CBSA intends to use this Plan to operationalize the threat and risk priorities identified in the Agency's ongoing risk assessments and to incorporate relevant information from other important sources such as the Agency's environmental scans and risk assessments from the Canadian Food Inspection Agency. While still in the development stage, the Plan, when completed, will be the cornerstone of the Agency's approach to risk analysis (i.e. how the Agency translates its various risk assessments into operational priorities by region and by mode).

The CBSA has identified the need for a more cohesive strategic direction that will bring together the many initiatives currently being pursued by the Agency. Preliminary policy work emphasizes an approach to border management that will seek to assess the admissibility of people and goods closer to the country of origin and to identify threats through enhanced information sharing in order to interdict risks as early as possible. Furthermore, the inauguration of a new U.S. administration in early 2009 provided the CBSA with an opportunity to refocus and advance its relationships with key U.S. border partners to address common risks, threats and opportunities.

A preliminary examination of the Agency's organization, culture and business model highlighted the need to realign the CBSA's organizational structure. When complete, this will be the first change to the CBSA's organizational structure since its inception in 2003. This realignment is intended to strengthen the lines of accountability and to help the Agency deliver its programs and services more effectively.

Finally, the Agency is renewing its efforts to implement performance measurement. While this was an element of the modern management priority for 2008–09, and considerable efforts were made to advance this initiative, more work is required. As noted in the Agency's 2009–10 Report on Plans and Priorities, the implementation of a performance measurement regime continues to be a priority in order to support better decision making and to monitor and continually improve the performance of the Agency's programs and services.

BENEFITS TO CANADIANS

CBSA Activity	Benefits to Canadians
The CBSA works cooperatively with its North American counterparts to implement a border strategy that relies on technology, information sharing and biometrics to create a smart and secure border.	The CBSA ensures that the border remains open to low-risk people and goods and closed to crime and terrorism. To ensure the safety and security of Canada, the CBSA leverages technology to identify, assess and interdict potential risks and threats to Canada as far away as possible from the physical border.
The CBSA applies a responsible enforcement program and an effective sanctions regime to people and goods that contravene Canadian border laws.	The CBSA promotes compliance with border legislation by taking enforcement actions and imposing penalties and sanctions as warranted.
The CBSA collects import duties and taxes in excess of \$22 billion a year.	The CBSA provides a critical component of revenues for the Government of Canada.
The CBSA implements sound comptrollership measures and conducts internal audits and program evaluations.	The CBSA demonstrates fiscal prudence and management accountability.

Table 1.3: Actual, Estimated and Planned Spending by Program Activity

Program Activity	Actual Spending 2007-08	Main Estimates 2008-09	Planned Spending 2008-09	Total Authorities 2008-09*	Actual Spending 2008-09	Alignment to Government of Canada Outcomes
	(\$ thousands)					
Security	383,530	473,183	483,519	596,400	471,241	A strong and mutually beneficial North American partnership
Access	587,378	688,648	666,573	771,482	860,166	
Science- and Technology-based Innovation	377,790	358,011	368,848	487,932	310,231	By providing effective and efficient border management that ensures the safety and security of Canadians while facilitating the free flow of people and goods, the CBSA contributes to the social well-being, economic success and safety and security of the North American continent.
Total	1,448,707	1,495,142	1,508,942	1,855,814	1,647,639	

*The breakdown of total authorities by program activity is based on the CBSA's 2007-08 Program Activity Architecture whereas the breakdown of actual spending is based on the Agency's revised 2008-09 Program Activity Architecture. In this transition, a large portion of expenditures, but not authorities, was transferred from the Science- and Technology-based Innovation program activity to Internal Services. The CBSA uses a formula to allocate Internal Services costs to its other three program activities, resulting in the largest share of expenditures being reallocated to the Access program activity. For 2009-10, the CBSA has adjusted the authorities to better align budgets with expected outcomes.

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Access	687,378	663,948	666,575	771,482	860,164	
Science- and Technology-based Innovation	377,799	358,011	358,848	487,932	310,231	
Total	1,448,707	1,495,142	1,508,942	1,856,814	1,647,636	

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EXPENDITURE PROFILE

Figure 1.1: Spending Trend, 2006-07 to 2008-09

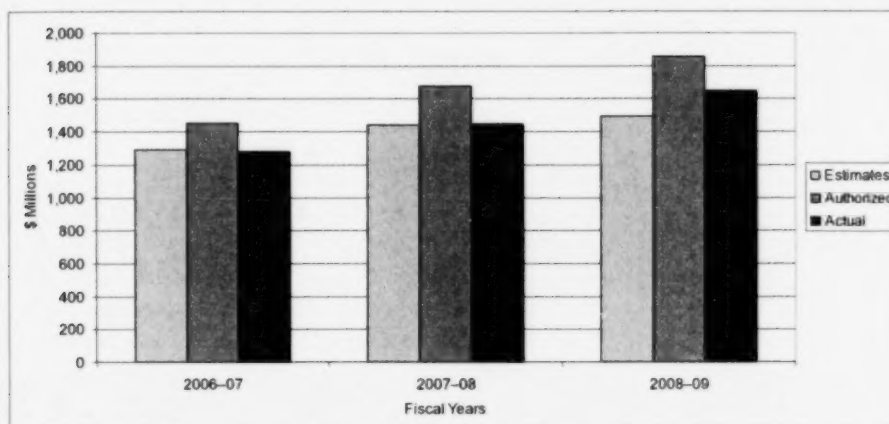


Figure 1.1 illustrates the trends of Main Estimates and actual expenditures for the past three fiscal years. Actual expenditures have steadily increased due mainly to the ratification of various collective agreements; increased staffing associated with various initiatives including eManifest, the arming of CBSA officers and efforts to address work-alone situations; replacing the Primary Automated Lookout System; and construction of new port-of-entry facilities in St. Stephen, New Brunswick.

VOTED AND STATUTORY ITEMS

(\$ thousands)					
Vote No. or Statutory Item (S)	Truncated Vote or Statutory Wording	Actual Spending 2006-07	Actual Spending 2007-08	Main Estimates 2008-09	Actual Spending 2008-09
10	Operating expenditures	1,113,152	1,263,345	1,300,600	1,433,100
15	Capital expenditures	30,144	34,903	50,910	53,000
(S)	Contributions to employee benefit plans	136,845	149,791	143,632	161,233
(S)	Spending of proceeds from the disposal of surplus Crown	241	141		246
(S)	Refunds of amounts credited to revenues in previous years	718	519		42
(S)	Collection agency fees		8		4
(S)	Court awards				11
Total		1,281,100	1,448,707	1,495,142	1,647,636

The \$199 million increase in actual spending between 2007-08 and 2008-09 is mainly the result of the ratification of various collective agreements; increased staffing associated with various initiatives, including eManifest, the arming of CBSA officers and efforts to address work-alone situations; replacing the Primary Automated Lookout System; and construction of new port-of-entry facilities in St. Stephen, New Brunswick.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic outcome: Border management that contributes to the safety and security of Canada and facilitates the flow of persons and goods.

In providing integrated border services, the CBSA prevents the movement of unlawful people and goods across the border while facilitating the flow of legitimate people and goods that are in compliance with border legislation and regulations.

PROGRAM ACTIVITY: SECURITY

The Security program activity encompasses the CBSA functions that ensure the safety and security of Canadians. It includes most of the CBSA's international operations, some border operations and headquarters and support services. Through the Security program activity, the CBSA continually examines its operating environment and processes to identify new ways of improving border security without impeding the cross-border movement of legitimate people and goods.

Program Activity: Security

2008-09 Financial Resources (\$ thousands)			2008-09 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned*	Actual	Difference
483,519	597,400	477,241	4.656	3,774	882

* The planned full-time equivalents for the Security program activity have been adjusted to better reflect the Agency's distribution of planned full-time equivalents.

Program Activity: Security

Performance Indicator	Performance	Performance Trend and Summary
Percentage of examinations of people that resulted in an enforcement action.	2.25 percent	Examinations of people that resulted in an enforcement action increased slightly in 2008–09 as compared to 2007–08 (2.09 percent).
Percentage of examinations of goods (commercial) that resulted in an enforcement action.	12.21 percent	Examination of goods (commercial) that resulted in an enforcement action increased in 2008–09 as compared to 2007–08 (11.05 percent).
Value of seizures* made as a result of an intelligence indicator or lookout.**	32.8 percent	The value of seizures made as a result of an intelligence indicator or lookout increased in 2008–09 as compared to 2007–08 (31.5 percent). In general, the value of seizures linked to intelligence or lookouts tends to be more significant than the percentage of seizures.
Percentage of seizures made as a result of an intelligence indicator or lookout.	8.4 percent	The percentage of seizures made as a result of an intelligence indicator or lookout declined in 2008–09 as compared to 2007–08 (10.9 percent). However, as noted above, the value of these seizures increased as compared to last year.

* The value of seizures is expressed as a percentage of the total value of all seizures recorded in the CBSA's enforcement systems, which includes seizures as a result of a random inspection or officer selection.

** Significant (large) seizures can skew and/or inflate the results of this indicator from year to year.

Performance Analysis

Improving Intelligence

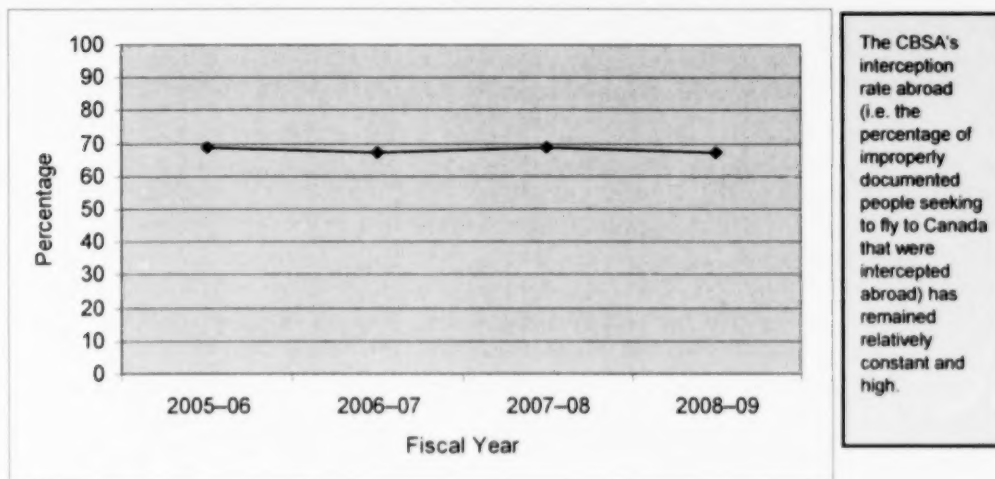
The CBSA ensures the safety and security of Canadians through risk-based, intelligence-driven decision making to identify high-risk people and contraband goods bound for Canada. Screening people and goods at the earliest opportunity overseas, in transit and upon arrival at the Canadian border improves the Agency's ability to target and interdict inadmissible people and goods before they enter Canada.

Significant improvements were made to the CBSA's Intelligence program throughout 2008–09. The Agency strengthened and realigned its intelligence activities, implemented a new organizational model for the Agency's Intelligence Directorate and established new performance measures. This realignment helped to strengthen the linkages between headquarters, regional and international intelligence personnel and to provide clear points of contact for the Agency's domestic and international counterparts to facilitate information sharing. These steps will result in a modernized and effective intelligence platform.

Migration Integrity Officers

As part of the Agency's efforts to "push the border out," the CBSA deploys officers abroad in key locations to gather intelligence related to the people. Migration integrity officers are the first opportunity for the Agency to identify high-risk people travelling to Canada and, in many cases, to stop them before they board an aircraft. Migration integrity officers gather, analyze and report on intelligence related to visa and immigration application fraud, irregular migration and other security concerns. Over 1,900 fraudulent documents were detected in 2008–09 via anti-fraud verifications.

Figure 2.1: Interception Rate Abroad for Improperly Documented Passengers, 2005–06 to 2008–09



Meeting Our 2008–09 Commitments

- The CBSA increased the number of migration integrity officers from 44 to 55. These officers are now stationed in 45 locations, an increase from 39 locations over the previous year. The 11 new migration integrity officer positions are focused on anti-fraud activities and were implemented to work closely with Citizenship and Immigration Canada to enhance immigration program integrity.
- Migration integrity officers conducted over 900 training sessions. Over 11,000 individuals were trained, including representatives from airlines and local law-enforcement agencies, to help them identify and intercept improperly documented people.
- New guidelines for information distribution were implemented to ensure that the Agency maximizes the information and intelligence gathered by the network of migration integrity officers.

Container Security Initiative

In the commercial stream, Canada continues to partner with the United States on the Container Security Initiative¹⁰. This Initiative aims to protect containerized shipping, the primary system of global trade, from being exploited or disrupted by terrorists. The CBSA deploys officers overseas as part of a multinational program designed to safeguard global maritime trade while allowing cargo containers to move faster and more efficiently through the supply chain at seaports worldwide.

Meeting Our 2008–09 Commitments

- Canada and the Republic of Panama signed the Canada–Panama Container Security Program Framework. As a result, two CBSA officers were stationed in Panama City to collaborate with Panamanian officials on identifying and examining cargo containers before the containers are loaded aboard vessels destined to Canada.
- Under a Container Security Initiative agreement with Japan, a CBSA officer was posted to Tokyo and a Japanese official was posted to a CBSA office in Vancouver.

Enhancing the CBSA's Targeting Capabilities

The CBSA's efforts to ensure the safety and security of Canadians include the use of targeting and lookouts as an integral part of the Agency's intelligence-based enforcement strategy. Targeting uses sophisticated intelligence-gathering techniques and technology, including analysis and information sharing with Canadian and international partners.

Meeting Our 2008–09 Commitments

- The CBSA developed proposals for a new governance framework and centralized organizational structure to manage targeting activities and help ensure national consistency. In addition, an agreement was reached with U.S. Customs and Border Protection to better align the two countries' targeting efforts.
- The Agency developed proposals for a new system to manage lookouts, including automated electronic interfaces with partners. Lookouts are an intelligence product that identifies a person, corporation, conveyance or shipment that may constitute a threat or be of interest for further scrutiny before it crosses the border.
- In fall 2008, the CBSA developed and piloted a new training program for border services officers who are involved in targeting and the risk assessment of advance information on people and goods entering Canada. In 2009–10, the Agency plans to initiate the national implementation of this program. This responds to the concerns raised in the *2007 October Report of the Auditor General of Canada, Chapter 5, "Keeping the Border Open and Secure."*¹¹

Improving Enforcement Activities in Canada

The CBSA contributes to the safety and security of Canadians by investigating, arresting, detaining and removing people who enter Canada illegally, who have no legal right to remain in Canada or who pose a threat to Canadians. In order to protect the integrity of Canada's immigration program, the CBSA is also responsible for removing refugee claimants whose claims have been denied by the Immigration and Refugee Board of Canada.

Meeting Our 2008–09 Commitments

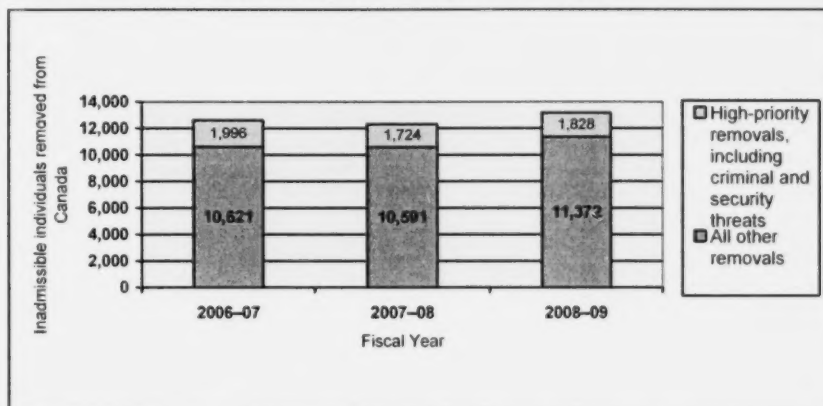
Improving warrant policies and practices:

- A review of the CBSA's warrants practices and policies was undertaken to better track the Agency's removal inventory and focus CBSA resources on locating high-priority individuals wanted for removal. This activity responds to the concerns raised in the *2008 May Report of the Auditor General of Canada, Chapter 7, "Detention and Removal of Individuals."*¹⁰
- In 2008–09, the CBSA carried out a pilot project to locate 45 high-priority persons (i.e. serious criminals) subject to a warrant for removal. The project revealed that, of these persons, 21 (or 47 percent) had left Canada. The pilot project confirmed that focused and sustained efforts, increased coordination with internal and external partners, and the use of a wider variety of investigative techniques are effective in locating targeted individuals. Looking forward, the CBSA will examine ways of implementing the lessons learned on a national level to further reduce the warrants inventory.
- The Agency renewed its collaboration with U.S. Immigration and Customs Enforcement in order to share data to verify the location of individuals with an outstanding warrant. New policies for the issuance and cancellation of warrants were also implemented to better manage warrants.

Improving policies and practices on detentions and removals:

- Initial work was undertaken to formalize existing arrangements with the correctional services of Quebec and Ontario to allow the CBSA to detain individuals in provincial detention centres. Both agreements are expected to be finalized in 2009–10.
- The CBSA's removal priorities continued to be individuals who pose a threat to the security of Canada, such as those involved in terrorist activities, organized crime and crimes against humanity (i.e. high-priority removals).

Figure 2.2: Inadmissible Individuals Removed from Canada, 2006–07 to 2008–09



- System enhancements were made to improve data integrity and capture additional information related to the removal of individuals from Canada.

Detecting fraudulent documents:

- The CBSA delivered training on document examination and impostor detection to various audiences including CBSA trainers for port-of-entry recruit training, migration integrity officers, regional CBSA officers and staff of partner agencies and provincial governments. The training supported preparations for the 2010 Olympic and Paralympic Winter Games and the development of provincial enhanced driver's licence and enhanced identity card programs.
- To help combat fraud in the new Canadian Experience Class, the CBSA opened approximately 90 criminal investigations into employment, student and immigration consultant fraud. The Canadian Experience Class is a new avenue of immigration for certain temporary foreign workers and foreign student graduates with professional, managerial and skilled work experience. In support of this initiative, the CBSA received funding to combat fraud in both the Temporary Foreign Worker Program and the international student program.

Enhancing officer powers and information sharing:

- The CBSA applied to the Department of Justice to be added as an investigative body to the schedules of the *Privacy Regulations* and the *Access to Information Regulations*. This will facilitate the flow of information between the Agency and other government departments, enabling the CBSA to better fulfill the enforcement and national security aspects of its mandate. The regulatory changes required to implement investigative body status are being initiated in 2009–10.
- Section 107 of the *Customs Act* was reviewed to further advance information sharing with the Royal Canadian Mounted Police and the Canadian Security Intelligence Service.

The type of information that could be shared within the current legislative framework was identified and a proposal for enhanced training was developed for CBSA officers.

Enhancing Security at the Ports of Entry

Arming Initiative

The Arming Initiative¹⁰ strengthens the security of the border and enhances the safety of CBSA officers when they are confronted by persons involved in organized crime, firearms traffickers or other dangerous situations. In 2008–09, the CBSA continued to ensure the effective implementation of the Initiative with the objective of training 4,800 officers to carry a duty firearm over a 10-year period.

Meeting Our 2008–09 Commitments

- The CBSA armed 532 officers, just short of the target of 550. As of March 31, 2009, 826 armed officers have been deployed at 30 land border ports of entry and three marine operations, as well as at various inland enforcement, intelligence and investigations offices.
- As of March 31, 2009, 309 CBSA officers have attended annual re-certification courses; 81 percent successfully completed the course on their first attempt.
- As of March 31, 2009, there were 41 incidents where CBSA officers drew their duty firearm; however, no duty firearm was discharged. As in all cases in which CBSA officers use force, the Agency reviewed the incidents to determine if established standards and protocols were followed and took the appropriate action as necessary.

Because of the demands of the implementation schedule, the recruitment and retention of qualified firearm trainers continues to be a challenge for the CBSA. To ensure that the pace of training is maintained, the Agency is considering various options, including the recruitment of regional trainers and basic firearms instructors. There has also been a delay in expanding the CBSA's national training facility in Rigaud, Quebec, to accommodate the Agency's arming-related training requirements. Originally scheduled to be ready in 2009–10, the expansion is now on track for completion in 2011–12.

Doubling-up Initiative

The Doubling-up Initiative ensures that officers do not work alone and reaffirms the Agency's commitment to officer safety. In 2008–09, the CBSA hired and deployed an additional 101 border services officers in support of this initiative. This brought the total number deployed to date to 200 new officers at 69 locations across Canada.

Despite the CBSA's accomplishments in implementing the Doubling-up Initiative, the Agency continues to face important challenges, including the need for port replacements or upgrades to increase the space required for additional officers; the lack of available

housing for new officers in isolated locations; and the recruitment and retention of officers for remote ports of entry. In response, a schedule to address infrastructure issues is being finalized. In addition, Budget 2009 provided funding for the construction of housing in the remote ports of Beaver Creek and Little Gold in the Yukon Territory and in Pleasant Camp, British Columbia. A specific recruitment campaign was also launched to recruit officers for remote ports of entry.

Customs Controlled Areas

In 2008–09, the CBSA worked to expand and enhance the ability of its officers to enforce border legislation by amending the *Customs Act* to include customs controlled areas at ports of entry. These designated areas are close to or associated with border clearance processes, such as airport tarmacs and seaport docks, where domestic travellers or workers may come into contact with international travellers and/or goods that have not yet been cleared by the Agency.

Bill S-2, *An Act to amend the Customs Act*, received royal assent in June 2009 and now gives the Agency expanded authorities to introduce customs controlled areas. The amendments also provide the CBSA with the necessary powers to control the movement of all people, goods and conveyances entering these areas, including the authorization to stop, question and search people and goods in these areas in order to better combat internal conspiracies and organized crime at ports of entry.

Partners in Protection

Partners in Protection¹ is a CBSA program that enlists the cooperation of private industry to enhance border and trade chain security, combat organized crime and terrorism and help detect and prevent contraband smuggling. The program was recently modified to enhance the risk assessment process of applicants.

Meeting Our 2008–09 Commitments

- Following extensive consultations with industry, the enhanced Partners in Protection program was implemented. Applicants must now complete a security profile to demonstrate how they meet the program's requirements. The applicant is then subject to a risk assessment and site validation before a decision is made to grant membership and trusted trader status.
- In June 2008, the CBSA and U.S. Customs and Border Protection signed a mutual recognition arrangement that formally acknowledges the compatibility of the Canadian Partners in Protection program and the U.S. Customs-Trade Partnership Against Terrorism program. This demonstrates the improved collaboration between Canada, the United States and the international trade community on matters of supply chain security.

Improving Contraband Detection

The CBSA ensures the safety and security of Canadians by identifying and interdicting unlawful or dangerous goods that pose a threat to the health, safety or security of Canadians. State-of-the-art detection technologies⁷⁰, such as radiation detection equipment to protect infrastructure at critical border points that might be the target of terrorism, enable the Agency to keep pace with increasingly sophisticated criminals and terrorists and to detect and interdict restricted, prohibited and controlled goods such as drugs, firearms, explosives, radiological threats and currency.

Meeting Our 2008–09 Commitments

- Portal radiation detection systems for marine containers are now operational in all major commercial sea terminals with the exception of Vanterm and Centerm in the port of Vancouver. These facilities are expected to be operational by fall 2009.
- Funding under the National Anti-Drug Strategy for the CBSA laboratory for testing precursor chemicals entering Canada allowed scientists to determine the uses of the chemicals entering Canada more effectively and help prevent these chemicals from reaching illegal drug manufacturers.
- In 2008–09, the CBSA hired additional chemists, which resulted in 172 precursor chemicals being analyzed. This represents a significant increase from the 23 precursor chemicals analyzed in 2007–08. In addition, CBSA regions have now assigned officers responsible for precursor chemical matters to liaise with law-enforcement partners.
- The CBSA began a joint export control enforcement project with U.S. Immigration and Customs Enforcement to disrupt the illicit export of controlled and strategic goods to countries of concern and countries under United Nations sanctions. Approximately \$1 million worth of goods was seized; almost half of the goods seized were suspected to be serious violations of Canada's export control legislation.
- The Agency completed the pilot design and testing phase to develop air carrier and freight forwarder supply chain programs and establish screening regulations. These activities will mitigate the risks associated with the introduction of explosives in cargo or the mail and the use of cargo aircraft as weapons. Budget 2009 included one-year funding to continue the work in 2009–10 on the Air Cargo Security initiative, which is led by Transport Canada.

PROGRAM ACTIVITY: ACCESS

The Access program activity contributes to the CBSA's strategic outcome by ensuring the free flow of lawful people and goods, promoting compliance with border legislation and ensuring a level playing field for legitimate people and goods. It includes regional border operations and headquarters and support services involved in managing the access of people and goods into Canada. Through the Access program activity, the CBSA continually reviews its operating environment and procedures to identify innovative ways of improving the processing of people and goods without compromising national security or public safety.

Program Activity: Access

2008-09 Financial Resources (\$ thousands)			2008-09 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending*	Planned	Actual	Difference
666,575	771,482	860,164	8,135	9,579	(1,444)

* The breakdown of total authorities by program activity is based on the CBSA's 2007-08 Program Activity Architecture whereas the breakdown of actual spending is based on the Agency's revised 2008-09 Program Activity Architecture. In this transition, a large portion of expenditures, but not authorities, was transferred from the Science- and Technology-based Innovation program activity to Internal Services. The CBSA uses a formula to allocate Internal Services costs to its three other program activities, resulting in the largest share of the expenditures being reallocated to the Access program activity. For 2009-10, the CBSA has adjusted the authorities to better align budgets with expected outcomes.

Program Activity: Access

Expected Results	Performance Indicator	Standard	Performance Trend and Summary
The flow of lawful people is facilitated.	Percentage of time <u>border wait time</u> ⁽¹⁾ standards are achieved for people.	The Monday to Thursday wait time standard for people is 10 minutes; it is 20 minutes Friday through Sunday and on holidays.	The border continued to operate smoothly for people seeking entry into Canada throughout 2008-09. Overall, wait time standards for people were adhered to 90.3 percent of the time. There were occurrences of wait time standards being exceeded. These were mainly isolated to long weekends and statutory holidays at the 22 busiest land ports of entry where the largest volume of people are processed.
The flow of lawful goods (commercial traffic) is facilitated.	Percentage of time <u>border wait time</u> ⁽¹⁾ standards are achieved for goods (commercial traffic).	The Monday to Thursday wait time standard for commercial traffic is 10 minutes; it is 20 minutes Friday through Sunday and on holidays.	The border continued to operate smoothly for commercial traffic seeking entry into Canada throughout 2008-09. Overall, wait time standards for commercial traffic were adhered to 95.9 percent of the time. There were occurrences of wait time standards being exceeded. These were isolated to the 19 busiest ports of entry where the largest volume of goods (commercial) are processed.

Performance Analysis

Improving Border Operations

Core Services Review

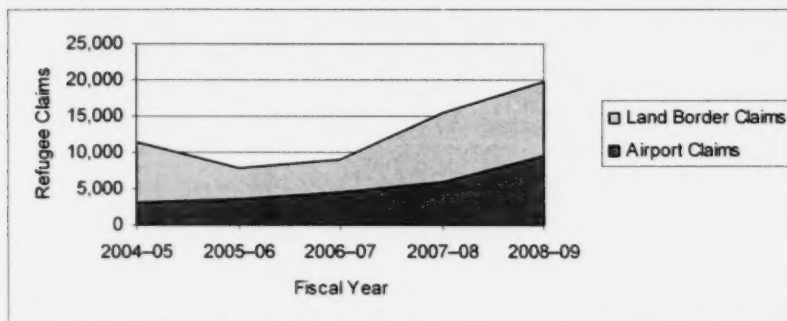
Over the past several years, the CBSA has been expected to meet increased demands for border services from air travel industry stakeholders. At the same time, it has become increasingly difficult for the Agency to maintain existing program and service levels with limited resources. As a result, one of the Agency's greatest challenges has been how to determine fairly and transparently which requests for additional levels of border clearance services at airports should be implemented (i.e. which airports should receive funding for additional border services officers or extended hours of service).

The CBSA completed a Core Services Review¹⁰ in 2008–09. This Review led to an air services policy framework that came into effect April 1, 2009. The framework establishes a consistent, open and equitable approach to requests for new or enhanced publicly funded border services. It also offers a means to compare airports of similar size in order to ensure the consistent delivery of programs and services related to border security and passenger clearance. Through the application of this framework, the CBSA will be able to demonstrate that it is allocating resources in a way that supports local economic development while ensuring the efficient use of public funds. Based on the new framework, Budget 2009 provided funding for additional services at six airports for one year beginning April 1, 2009. Plans are under way to conduct similar reviews of service levels for the rail and marine modes.

Refugee Processing

The CBSA is responsible for determining the admissibility and eligibility of people making a refugee claim at a port of entry. Over the past several years, the number of refugee claims has steadily increased (see Figure 2.3). Given that these pressures must be addressed through existing resources, the incremental workload has placed tremendous pressure on CBSA port-of-entry resources. In response to the high volumes of refugee claimants from Mexico and the Czech Republic, the CBSA established specialized units dedicated to processing refugee claims at certain ports of entry, including Pearson International Airport in Toronto, Ontario, and Trudeau International Airport in Montréal, Quebec. As a result, refugee claims were processed more quickly and with fewer claimants being detained while awaiting examination.

Figure 2.3: Refugee Claims by Mode, 2004–05 to 2008–09



Promoting Compliance with Border Legislation and Regulations

Outreach Activities

In 2008–09, the CBSA continued to address compliance issues by conducting education and outreach activities to inform the public of border legislative requirements. Greater awareness of these requirements leads to fewer infractions by, and faster clearance for, legitimate people and goods being imported and exported. In addition, greater compliance improves efficiency by allowing the Agency to focus its enforcement efforts on high-risk people and goods.

Table 2.1: CBSA Education and Outreach Activities, 2006–07 to 2008–09

	2006–07	2007–08	2008–09
Border Information Service telephone inquiries	1,001,493	1,353,573	899,093
Client-requested written advice	186	3,825	3,386
Client meetings	1,077	2,209	1,487
Information sessions	655	1,166	915
Promotional events	342	344	309
Walk-ins and general inquiries	n/a	n/a	4,063
Media events	n/a	n/a	9

Note: Fluctuations in annual numbers are in part related to external demand that cannot be controlled by the CBSA. For instance, the introduction of a new initiative or economic factors, such as a high Canadian dollar that stimulates interest in cross-border shopping, can result in increased inquiries.

Trade Compliance

The CBSA's trade compliance activities help provide a level playing field for Canadian manufacturers and exporters in the global trade market by ensuring the accuracy of trade data and the proper assessment, collection, relief and deferral of duties and taxes. To ensure compliance, the CBSA uses a risk-based system to select appropriate targets to verify that specific importers in identified sectors are complying with legislation and regulations. The Agency also seeks to identify and correct any inaccuracies in the application of import requirements and to assess any outstanding duties and taxes owing. To avoid congestion and cargo clearance backlogs at the border and to expedite the release of non-threatening goods into the Canadian marketplace, compliance verification work is conducted after the border clearance process, otherwise known as post-release verification.

In support of the Agency's post-release verification activities, the CBSA implemented the compliance strategic framework that sets out the criteria to assess risk and select verification priorities for trade programs. Aided by these improved criteria, the Agency verified or audited the books and records of 2,443 importers and assessed an additional \$83 million in revenue.

Western Hemisphere Travel Initiative

The CBSA worked with the United States to successfully manage the implementation of the U.S. Western Hemisphere Travel Initiative⁷⁸ at the land border on June 1, 2009. The Initiative is a U.S. law that requires all travellers, including Canadian and American citizens, to present a valid passport or other approved secure document when entering the United States from within the western hemisphere. While the new law applies only to people seeking entry to the United States, the CBSA actively worked with the United States to minimize the impact on border operations.

Meeting Our 2008–09 Commitments

- The CBSA led the Government of Canada's engagement with the United States to agree on the terms and conditions for the U.S. implementation of the Western Hemisphere Travel Initiative to ensure that the border continued to operate smoothly.
- The Agency entered into memoranda of understanding with the governments of Manitoba, Ontario, British Columbia and Quebec to develop and implement enhanced driver's licences and enhanced identity cards.
- The CBSA worked with Citizenship and Immigration Canada and the Canadian Security Intelligence Service to provide advice on document security and training to the provinces implementing alternative secure documents.

Facilitating Trade

The CBSA administers and assists in the negotiation of free trade agreements that help to open new markets for Canada by increasing opportunities for, and the predictability of, export sales. This helps Canadian businesses to fully participate in global market opportunities, creates additional export-related jobs in Canada and results in stronger profits for Canadian businesses.

Meeting Our 2008–09 Commitments

The CBSA continued to assist Foreign Affairs and International Trade Canada by providing key input on customs procedures in the negotiation of free trade agreements. The Agency also continued negotiations on four free trade agreements:

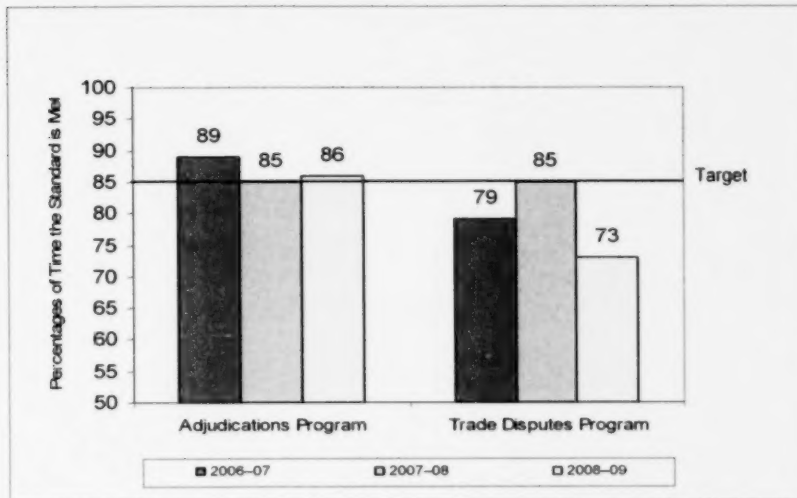
- Negotiations were successfully completed with the Hashemite Kingdom of Jordan and a free trade agreement was signed with Colombia; and
- Planned negotiations with the Dominican Republic and the Caribbean community were postponed for a variety of reasons; however, the Agency is committed to restarting the negotiations as soon as possible.

Improving Administrative Appeal and Review Services

The CBSA provides Canadians with administrative review mechanisms that are timely, objective, consistent and transparent to determine the accuracy of CBSA enforcement actions related to people and goods. These review processes promote compliance with border legislation and ensure that legislation is applied consistently.

In order to ensure the best possible service for Canadians, the CBSA instituted a service standard of acknowledging new adjudications and trade dispute appeals within 30 days of receipt 85 percent of the time. The CBSA's adjudications program provides clients with an administrative review of the Agency's enforcement-related actions, while the CBSA's trade disputes program provides clients with an administrative review of the Agency's trade program decisions relating to re-determinations of tariff classification, value for duty, origin and marking.

Figure 2.4: Adjudications and Trade Disputes — Performance Against Standard, 2006–07 to 2008–09



Note: The varying performance of the CBSA's trade disputes program is in part due to the *Customs Act* that allows trade dispute notices to be filed at any CBSA office in Canada. Because it takes additional time to forward dispute notices to the trade disputes group at headquarters, the Agency may make first contact with the client more than 30 days after the dispute was filed.

PROGRAM ACTIVITY: SCIENCE- AND TECHNOLOGY-BASED INNOVATION

The Science- and Technology-based Innovation program activity supports the Agency's strategic outcome by utilizing the CBSA's science and technology capacity to modernize border management and increase the effectiveness and efficiency of border operations.

The operating environment of the CBSA is one of continually shifting challenges and opportunities. In response, the Agency employs innovative, leading-edge technology to facilitate the flow of legitimate people and goods, while protecting Canada from the threats of terrorist attacks, irregular immigration, illegal drugs and other contraband.

Program Activity: Science- and Technology-based Innovation

2008-09 Financial Resources (\$ thousands)			2008-09 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned*	Actual	Difference
358,848	487,932	310,231	935	1,282	(347)

* The planned full-time equivalents for the Science- and Technology-based Innovation program activity have been adjusted to better reflect the Agency's distribution of planned full-time equivalents.

Program Activity: Science- and Technology-based Innovation

Performance Indicator	Performance	Performance Trend and Summary
Percentage of time a mission-critical application or national operational system* is available	99.35 percent	The percentage of time that the seven highest-impact systems were available remained relatively stable for 2008-09 as compared to 2007-08 (99.85 percent).**

* This indicator measures the availability of the seven information technology systems that are crucial to the management of the border.

** No data was available for one of the seven systems for 2007-08.

Performance Analysis

Improving Risk Assessments of People

To better ensure that high-risk people are examined and low-risk people benefit from facilitated entry into Canada, the CBSA is committed to improving how and where it performs risk assessments. In 2008-09, the CBSA advanced a number of innovative projects that support the risk assessment of people seeking to enter Canada.

The Integrated Primary Inspection Line system provides CBSA officers with the ability to quickly and efficiently run automated risk assessments of people against the enforcement databases of the CBSA and Citizenship and Immigration Canada. The system was first

implemented at airports and, based on its success, was approved for expansion to other modes. It is currently being phased in at land border ports of entry, in part to replace the Primary Automated Lookout System.

In addition to improving risk assessment capacity at the land border, the Agency has developed a more robust capacity in the air mode through continued improvements to the Advance Passenger Information/Passenger Name Record[®] program. Through this program, the CBSA performs a pre-arrival risk assessment of traveller data that is transmitted by commercial air carriers.

Meeting Our 2008–09 Commitments

- The Integrated Primary Inspection Line system was installed at 150 lanes at 32 ports of entry across Canada.
- The CBSA continued to develop a more robust and long-term solution for risk assessing air passenger data that will respect privacy requirements and streamline how the Agency acquires and processes data. An initial solution called the “Push” initiative was developed and involves the direct transfer of data from airline reservation systems to the Agency.
- The CBSA consulted with the airline industry to assess its readiness for the “Push” initiative, which provided the CBSA with valuable information it can use to develop the project. The Agency also surveyed users to prioritize data information needs.

For 2008–09, the CBSA had also committed to the implementation of the Automated Border Clearance pilot (formerly known as the Electronic Primary Inspection Line). The Automated Border Clearance pilot will allow Canadian citizens and permanent residents to use kiosks to clear the border upon returning to Canada. At the same time, the CBSA can perform automated risk checks. However, the pilot was not implemented in fall 2008 as originally scheduled due to delays in formalizing program requirements and technical difficulties encountered with the kiosk hardware. Significant progress was made in project development, design and training, and the pilot began the testing phase in April 2009. The Agency remains committed to formally launching this initiative in 2009–10.

Improving Risk Assessments of Commercial Goods

Similar to the efforts being undertaken to improve risk assessments of people, the CBSA is developing and implementing technologies and systems to better assess risk in the commercial mode.

eManifest

eManifest[®], a major Crown project, is about getting the right information at the right time to enable the CBSA to identify and mitigate potential threats to Canada while

facilitating the movement of low-risk shipments across the border. It is the third phase of the Advance Commercial Information program and requires all businesses in the trade chain to provide the CBSA with electronic data on their crew, cargo and conveyance within specified time frames before their conveyance reaches Canada. While the Advance Commercial Information program established this requirement for the air and marine modes, eManifest will expand it to the highway and rail modes.

Meeting Our 2008–09 Commitments

- Investments were made in the Agency's information technology infrastructure to enable the CBSA to simultaneously deliver on several initiatives related to eManifest.
- Progress was made on developing an Internet portal for eManifest. This portal is intended for members of the trade community to help them prepare for the electronic reporting of information in the highway and rail commercial modes.
- Changes were made to the *Customs Act* through Bill S-2 that will facilitate the collection of advance information on imported goods. These changes will enable the CBSA to make more informed decisions about the admissibility of goods, including identifying unknown and high-risk threats before the shipments arrive.

Harmonized Risk Scoring — Advance Trade Data

Harmonized Risk Scoring — Advance Trade Data is an initiative to improve the effectiveness of the CBSA's current automated risk assessment and targeting processes by incorporating an expanded set of risk indicators, additional trade data and a new scoring methodology. It will enable the CBSA to address information gaps within the marine commercial supply chain by harmonizing assessment processes with the United States, and to the extent possible, aligning with international standards established by the World Customs Organization.

In 2008–09, enhancements were made to TITAN, the Agency's current automated risk-assessment system, namely the development of a new scoring algorithm for the marine mode.

Leveraging Biometrics

The Government of Canada, under its National Security Policy, made a commitment to examine how to use biometrics in border and immigration systems. In support of the National Security Policy and this commitment the CBSA is working to leverage biometric technology.

In 2008–09, the Agency developed biometrics principles that support the CBSA's continued use and expansion of biometric technologies. This included a stocktaking exercise of biometric-related initiatives and the presentation of draft joint biometrics principles with U.S. partners at the Four Country Conference (a meeting between representatives of

Canada, Australia, the United Kingdom, the United States and, in the future, New Zealand). The CBSA also continued to work with international partners to develop a framework for the systematic exchange of biometric data. This includes a "real time" system for information sharing under the High Value Data Sharing Protocol that was signed by the deputy ministers of the four countries in June 2008. Lastly, a privacy impact analysis was completed on the impact of biometrics activities in Canada that was subsequently submitted to the Office of the Privacy Commissioner of Canada.

Modernizing Border Management Through Research

The CBSA has a world-class laboratory that offers a diverse range of scientific, analytical and research advisory services. The Agency provides laboratory and scientific services to internal programs and external partners, departments and agencies. The CBSA's research on scientific products and solutions helps modernize border management and increases the effectiveness and efficiency of border operations, particularly in relation to security and enforcement. The Agency is also able to perform in-house physical and chemical analyses of industrial commodities and the forensic examination of documents.

Meeting Our 2008–09 Commitments

- The CBSA's laboratory served as the lead in a chemical, biological, radiological, nuclear and explosives research initiative and technology project on the evaluation of trace explosives detectors.
- The Agency received funding as a project partner to develop a muon radiography system to detect improvised nuclear devices and heavily shielded radioactive material. The CBSA also developed a side-scatter pallet inspection system capable of material discrimination to enable CBSA officers to better detect contraband in a non-intrusive manner.
- New detection equipment was evaluated to determine its suitability in the border environment and a report was produced on technologies for the detection of biological agents in marine cargo containers.
- As part of a review of its radiation detection program, the CBSA designed enhancements and modifications to the unmanned portal radiation detection systems and evaluated the hand-held isotope identifiers currently available on the market.

Advancing Revenue Collection

The Agency continued to advance and redevelop its revenue management programs and systems to fully integrate revenues collected from its customs, immigration and food, plant and animal inspection activities. This contributes to a modernized revenue accounting and management regime.

In 2008–09, the Agency completed an analysis and review of its revenue management programs and systems, and it is considering how to best leverage the recommendations in the report as part of future initiatives and projects.

SECTION III: SUPPLEMENTARY INFORMATION

INTERNAL SERVICES

The CBSA's Internal Services program activity focuses on the ongoing implementation of a modern management regime that is results-based, delivers value for money and, through a regular process of monitoring, allocates or reallocates resources to the Agency's priorities. The CBSA is reporting on its Internal Services activities in 2008–09 because Internal Services was included in the Agency's 2008–09 Report on Plans and Priorities.

Performance Analysis

Human Resources

The CBSA strives to ensure that its human resources regime meets the business needs of the Agency, complies with government-wide requirements and provides timely and efficient human resources services to its employees.

Meeting Our 2008–09 Commitments

- The human resources strategic plan was updated to address identified challenges to ensure that the CBSA's workforce is representative of the Canadian population and the plan was shared with employees.
- The Strategic Learning Direction for 2008–11 was completed and it links the CBSA's training priorities with the Agency's business priorities.
- The Leadership Learning Framework initiative was launched, which includes developing leadership learning products and tools for CBSA managers and exploring new ways to recruit and train employees.
- Over 1,000 new border services officers were recruited.
- 923 new border services officers and 444 veteran CBSA employees were trained in the three program areas of the CBSA's mandate (customs; immigration; food, plant and animal inspection).

Informal Conflict Management System and Values and Ethics

The Informal Conflict Management System team continued its collaborative efforts to promote the fair and effective resolution of conflict at the CBSA. The primary focus in 2008–09 was on program and policy development. Notable achievements included increasing mediation capacity and designing a new performance measurement and reporting tool. The proactive approach to informal conflict management skill building and awareness resulted in 71 rights-based recourses being averted or withdrawn.

The CBSA's values and ethics team designed, developed and delivered values and ethics sessions tailored to different levels of management and staff. In 2008–09, 35 one-day sessions on values, ethics and disclosure of wrongdoing were delivered in regional offices and attended by 540 employees and managers. The sessions included specific information on the provisions and requirements of the *Public Servants Disclosure Protection Act* and on internal disclosure procedures at the CBSA. Critical thinking tools to help prevent unethical behaviour in the workplace were also provided.

Risk Management

In 2008–09, key activities to implement a modern management regime at the CBSA included the development of an Integrated Risk Management Framework. While the Framework is designed primarily to identify and assist in the mitigation of corporate risks, it will also help the Agency deal effectively with operational threats and risks. This is consistent with the recommendations made in the *2007 October Report of the Auditor General of Canada, Chapter 5, "Keeping the Border Open and Secure."*¹⁶

Performance Measurement

In 2008–09, an executive dashboard was piloted to provide senior managers with the data they need to stay apprised of the Agency's performance and to make course adjustments as needed. The dashboard contains a small number of key performance indicators that reflect corporate management concerns (e.g. the enterprise risk profile) and how the Agency demonstrates and reports on its performance to others (e.g. Parliament, the Office of the Auditor General of Canada and the Treasury Board of Canada Secretariat). The development of additional informative indicators is ongoing and, when completed, will result in an inventory of indicators to help measure the performance of the Agency's various programs and services. The CBSA has also taken steps to establish performance targets for areas such as the management of warrants in the Intelligence program and will continue to establish targets for other programs throughout 2009–10.

The Agency's performance measurement framework was not completed in 2008–09 due to the need to further revise the CBSA's Program Activity Architecture. The CBSA has committed to developing a more robust Program Activity Architecture and a revised performance measurement framework for 2011–12.

Facilities

To ensure that the Agency has sufficient space to accommodate existing staff and its planned workforce for the next three years, the CBSA undertook a review of its long-term accommodation strategy, which is now being finalized. The strategy includes consolidating headquarters in a campus of new buildings, and a site was secured by Public Works and Government Services Canada in early 2009.

New port-of-entry facilities at Douglas, British Columbia, were completed in September 2008. Port infrastructure at St. Stephen, New Brunswick, was completed on schedule and will be operational when the new international bridge is opened to traffic in the second half of 2009. Budget 2009 identified additional funds for the expansion and modernization of border facilities at Prescott (Ontario) and at Kingsgate, Pacific Highway and Huntingdon (all in British Columbia).

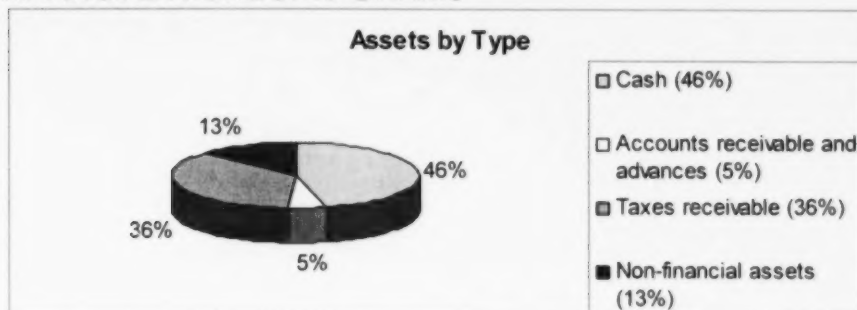
Over the next five years, 15 to 20 small port-of-entry facilities will be replaced. The development of a standard small-port template design has been completed, and advance site surveys on many of the proposed locations will be completed in 2009–10.

FINANCIAL HIGHLIGHTS

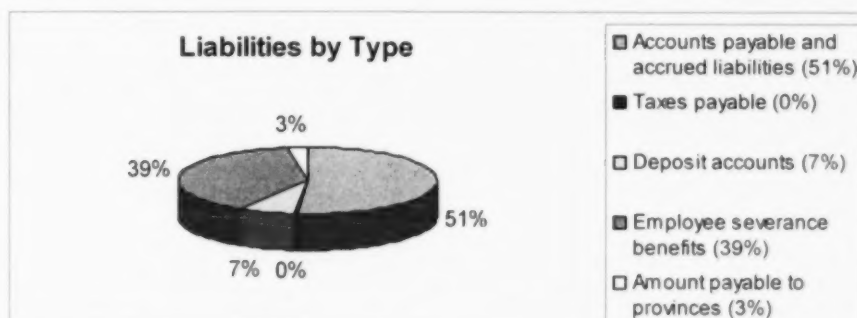
(\$ thousands)			
Condensed Statement of Financial Position For the period ending March 31, 2009		Percentage Change	
		2009	2008
Financial assets	-15.87	2,566,532	3,050,710
Non-financial assets	14.33	391,076	342,051
Total assets	-12.83	2,957,608	3,392,761
Total liabilities	-76.31	537,559	2,268,884
Total equity	115.33	2,420,049	1,123,877
Total liabilities and equity	-12.83	2,957,608	3,392,761

(\$ thousands)			
Condensed Statement of Financial Position For the period ending March 31, 2009		Percentage Change	
		2009	2008
Total expenses	19.85	1,866,659	1,557,505
Tax revenues	-8.50	22,622,415	24,724,683
Non-tax revenues	29.57	100,844	77,828
Total revenues	-8.38	22,723,259	24,802,511
Net results	-10.27	20,856,600	23,245,006

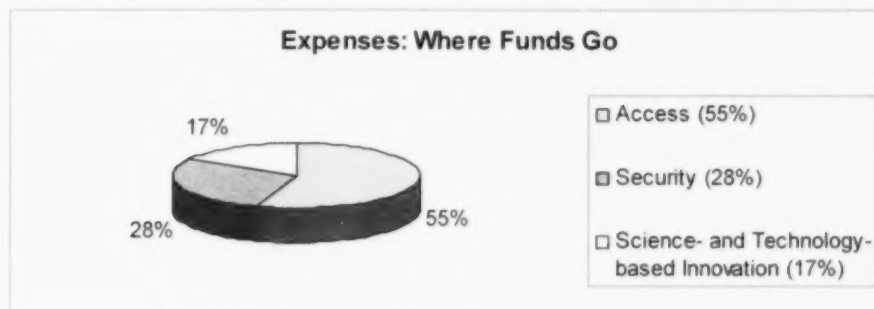
FINANCIAL HIGHLIGHTS CHARTS



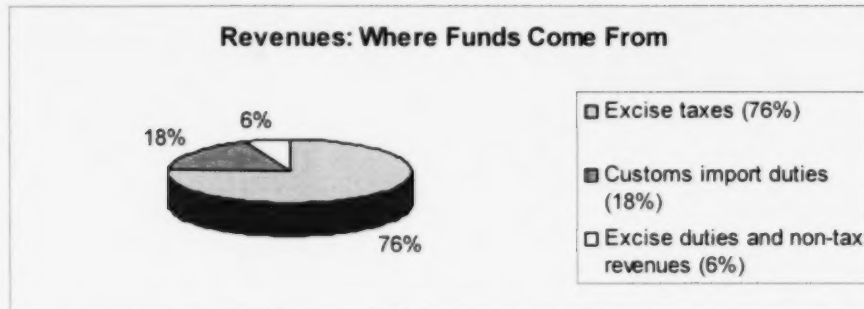
The CBSA's total assets were \$2.958 billion at the end of 2008–09, a decrease of \$435 million (or -13 percent) over the total assets of \$3.393 billion for 2007–08. Financial assets (cash, accounts receivable and advances, and taxes receivable) represent the largest portion at \$2.567 billion or 87 percent of total assets.



Total liabilities were \$538 million at the end of 2008–09, a decrease of \$1.731 billion (76 percent) over the total liabilities of \$2.269 billion for 2007–08. Accounts payable and accrued liabilities represent the largest portion of liabilities at \$276 million or 51 percent of total liabilities.



Total expenses were \$1.867 billion for 2008–09, an increase of \$309 million (19.85 percent) over the total expenses of \$1.558 billion for 2007–08. The majority of the funds, \$1.022 billion (or 55 percent), was spent on the Access program activity; \$518 million or 28 percent of total expenses was spent on the Security program activity.



The Agency's total revenues were \$22.723 billion for 2008–09, a decrease of \$2.08 billion (or -8 percent) over the total revenues of \$24.803 billion for 2007–08. Excise taxes (goods and services tax/harmonized sales tax, gas, etc.) represent the majority of revenues at \$17.348 billion or 76 percent of total revenues. Customs import duties represent a significant portion of revenues at \$4.036 billion or 18 percent of the total revenues.

FINANCIAL STATEMENTS

The CBSA's financial statements are available on the Agency's Web site at <http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/menu-eng.html>.

LIST OF ONLINE TABLES

All supplementary information tables of the 2008–09 Departmental Performance Report can be found on the Treasury Board of Canada Secretariat's Web site at <http://www.tbs-sct.gc.ca/dpr-rmr/2008-2009/index-eng.asp>.

Table 1: Sources of Respendable and Non-Respendable Revenue

Table 2: User Fees/External Fees

Table 3: Details on Project Spending

Table 4: Status Report on Major Crown Projects

Table 5: Horizontal Initiatives

Table 6: Sustainable Development Strategy

Table 7: Green Procurement

Table 8: Response to Parliamentary Committees and External Audits

Table 9: Internal Audits and Evaluations

INFORMATION AND CONTACTS

To contact the CBSA and for more information on its activities, please visit the CBSA's Web site at <http://www.cbsa-asfc.gc.ca>. Links to other Web sites of interest are provided below.

Canada Revenue Agency
<http://www.cra-arc.gc.ca>

Canadian Food Inspection Agency
<http://www.inspection.gc.ca>

Canadian Security Intelligence Service
<http://www.csis.gc.ca>

Citizenship and Immigration Canada
<http://www.cic.gc.ca>

Department of Finance Canada
<http://www.fin.gc.ca>

Foreign Affairs and International Trade Canada
<http://www.international.gc.ca>

Health Canada
<http://www.hc-sc.gc.ca>

Public Safety Canada
<http://www.publicsafety.gc.ca>

Royal Canadian Mounted Police
<http://www.rcmp-grc.gc.ca>

Transport Canada
<http://www.tc.gc.ca>